

Message Text

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43

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 /077 W

----- 069308

R 071525Z FEB 75

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 2761

INFO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: EFIN, ENGR, DR

SUBJECT: VENEZUELAN OIL SALES SCHEME

REF: SANTO DOMINGO 0544

1. DOMINICAN CENTRAL BANK OFFICIALS BELIEVE THAT VENEZUELA IS ABOUT TO OFFER THE DR, AND OTHER CARIBBEAN IMPORTERS OF VENEZUELAN OIL, A GOVERNMENT-TO-GOVERNMENT ARRANGEMENT SIMILAR TO THE AGREEMENTS REACHED WITH CENTRAL AMERICAN COUNTRIES. THE TERMS WHICH MIGHT BE OFFERED THE DR ARE NOT KNOWN BUT THE PLAN WOULD BE FOR DIRECT PAYMENT OF AROUND SIX DOLLARS PER BARREL AND THE REMAINING COST PER BARREL PAID IN LOCAL CURRENCY. THE LOCAL CURRENCY COMPONENT WOULD BE DEPOSITED IN A TIME-DEPOSIT WITH THE CENTRAL BANK BEARING SEVEN AND ONE-HALF OR EIGHT PERCENT INTEREST. THESE TIME-DEPOSIT FUNDS COULD BE USED BY VENEZUELA FOR LOCAL INVESTMENT PURPOSES OR AGREED-UPON DEVELOPMENT ASSISTANCE LOANS TO THE GODR.

2. CENTRAL BANK OFFICIALS THINK THAT AN OFFER MAY COME FROM THE VENEZUELAN AT THE UPCOMING VENEZUELAN-CARIBBEAN SUMMIT MEETING.

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THEIR CURRENT FEELING, HOWEVER, IS NEGATIVE AND THEY SEEM

INCLINED TO RECOMMEND AGAINST A GODR-GOV AGREEMENT ALONG THE ABOVE
LINES.
HURWITCH

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NNN

Message Attributes

Automatic Decaptioning: X
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Film Number: D750046-0040
From: SANTO DOMINGO
Handling Restrictions: n/a
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Margaret P. Grafeld
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05 JUL 2006

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To: STATE
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